

Message Text

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FM SECSTATE WASHDC

TO AMEMBASSY BUENOS AIRES

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E.O. 11652:N/A

TAGS: APUB, AR

SUBJECT: PRESS RELEASE ON EXIMBANK LOAN TO ARGENTINA

FOLLOWING IS FINAL TEXT OF EXPORT-IMPORT BANK RELEASE ON THE DIRECT CREDIT OF DOLS 21.6 MILLION TO DALMINE SIDERCA S.A.I.YC.(DALSIDER), OF BUENOS AIRES. RELEASE IS SCHEDULED FOR ANNOUNCEMENT HERE IN WASHINGTON, D.C. FOR A.M. PAPERS, WEDNESDAY, JULY 17, 1974.

QUOTE: EXIMBANK CREDIT OF DOLS 21.6 MILLION SUPPORTS DOLS 48 MILLION SALE OF U.S. STEEL PLANT EQUIPMENT TO ARGENTINA

TO SUPPORT A DOLS 48 MILLION SALE OF U.S. EQUIPMENT, MATERIALS AND SERVICES REQUIRED FOR EXPANSION OF A SEAMLESS STEEL PIPE AND STEEL MANUFACTURING PLANT IN ARGENTINA, THE BOARD OF DIRECTORS OF THE EXPORT-IMPORT BANK OF THE UNITED STATES HAS AUTHORIZED A DIRECT CREDIT OF DOLS 21.6 MILLION TO FINANCE 45 PERCENT OF THE TOTAL U.S. COSTS AND A FINANCIAL GURANTEE OF A CREDIT OF DOLS 21.6 MILLION FROM PRIVATE U.S. SOURCES NOT YET DESIGNATED TO FINANCE ANOTHER 45 PERCENT, ACCORDING TO EXIMBANK' S CHAIRMAN WILLIAM J. CASEY. THE OBLIGOR, DALMINE SIDERCA S.A.I.YC.(DALSIDER),
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OF BUENOS AIRES, WILL MAKE CASH PAYMENT OF THE BALANCE OF THE

U.S. COSTS OF 10 PERCENT OF DOLS 4.8 MILLION. EXIMBANK IS ALSO PROVIDING A FINANCIAL GUARANTEE OF A LOCAL COST LOAN OF DOLS 7.2 MILLION.

THE PROJECT COVERS THE FIRST STAGE OF A THREE-STAGE PROGRAM FOR THE EXPANSION OF DALSIDER'S SEAMLESS STEEL PIPE AND MANUFACTURING FACILITIES AT ITS EXISTING PLANT IN CAMPANA IN THE PROVINCE OF BUENOS AIRES. U.S. PURCHASES WILL INCLUDE EQUIPMENT FOR A DIRECT REDUCTION PLANT, MANDREL TYPE SEAMLESS TUBE MILL, AND STEEL SHIP AND GALVANIZING LINE FROM SUPPLIERS NOT YET SELECTED. TECHNINT ENGINEERING COMPANY, INC. IS TECHNICAL CONSULTANT ON THE PROJECT WHICH WILL HAVE A TOTAL COST OF NEARLY DOLS 103 MILLION.

THE LOANS ARE TO BE REPAID IN 20 SEMIANNUAL INSTALLMENTS BEGINNING FEBRUARY 5, 1978, WITH EXIMBANK'S DIRECT CREDIT OF DOLS 21.6 MILLION TO BE REPAID OUT OF THE LAST 10 INSTALLMENTS WITH INTEREST AT AN ANNUAL RATE OF 7 PERCENT ON OUTSTANDING BALANCES. REPAYMENT OF ALL LOANS IS TO BE GUARANTEED BY BANCO NACIONAL DE DESARROLLO. UNQUOTE SISCO

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